

Chilean AES-Mitsubishi unit gets US\$875 million refinancing

Emily Darby 26 November 2019

() () () ()

Chile's Claro & Cía has helped AES Gener and Mitsubishi subsidiary Empresa Eléctrica Cochrane get a total of US\$875 million to refinance existing project finance agreements.

The refinancing, which closed on 6 November, was composed in two parts.

In the first, Cochrane made a bond issuance worth US\$430 million. Davis Polk & Wardwell's New York office and Honorato Delaveau in Santiago advised a syndicate of foreign banks acting as underwriters in the offering, led by US financial institution Goldman Sachs and including HSBC, SMBC Nikko Securities America and Larrain Vial. The bonds have a maturity of eight years.

The second part of the refinancing saw Larrain y Asociados' Santiago office advise Chilean lenders Banco Consorcio, Banco Internacional, CN Life, Compañía de Seguros de Vida Consorcio Nacional de Seguros, LV Deuda Retorno Absoluto and CHL Renta Total Fondo de Inversión Privado on a 15-year US\$445 million loan to Cochrane.

Alcaino Abogados in Santiago advised another local creditor, Penta Vida, while local asset management company Moneda – another lender – relied on in-house counsel.

Fontaine y Cía is thought to have advised life insurance companies Metlife and Principal – also acting as lenders – although the firm did not confirm its involvement.

Honorato Delaveau also advised HSBC as collateral agent for the finance structure.

Cochrane is set to make an additional US\$485 million local bond offering in 2020 to finance the repayment of the loan provided by the Chilean banks.

The transaction refinances project financing the company took out to build Cochrane I and Cochrane II, two coal-fired power generation sites in the northern Mejillones region of the country. Both became operational in 2016.

The plants produce up to 150 gigawatt hours of energy per year, thanks to a battery-based storage system located onsite.

Counsel to Empresa Eléctrica Cochrane, AES Gener and Mitsubishi

In-house counsel - Andrea Sougarret

Claro & Cía

Partners Rodrigo Ochagavía and José Luis Ambrosy and associates Paulina Valentín and Daniela Bartolucci in Santiago

Counsel to Goldman Sachs, HSBC, SMBC Nikko Securities America and Larrain Vial

Davis Polk & Wardwell LLP

Partner Maurice Blanco and associates Drew Glover, Eryn Gordon, Constanza Velasquez, James Florack, James Vickers and Hugo Casella in New York

Honorato Delaveau

Partner Matías Langevin and associate Nicolás García in Santiago

Counsel to Banco Consorcio, Banco Internacional, CN Life Compañía De Seguros De Vida, Compañía de Seguros de Vida Consorcio Nacional de Seguros, Fondo de Inversión Larrain Vial Deuda Retorno Absoluto and CHL Renta Total Fondo de Inversión Privado

Larrain y Asociados

Partner Patricio Montes and associates Diego Garay and Teresita Vinagre in Santiago

Counsel to Penta Vida

In-house counsel - Roberto Correa

Alcaino Abogados

Partner Rodrigo Muñoz and associate Pía Muñoz in Santiago

Counsel to Moneda Asset Management

In-house counsel - Felipe Corvalán

Practice area: Energy, Project finance & infrastructure, Banking & finance

Industry: Electricity Production and Supply